

## **2017 TRENDING AND EQUALIZATION OF PORTER COUNTY**

This document summarizes the method and procedures used to complete the 2017 Annual Adjustment for Porter County. This document is intended to provide a reasonable explanation as to how this task was completed.

### **Overview**

In most areas in Porter County sales are rising. The market seems to be recovering well from previous years. We are seeing things sell in less than a week and for more than the sale price in some areas. There is also a lot of new construction and new subdivisions throughout the county. We had a new land order for 2017. We also had our LCM go down by 5%. That combined with the new land prices made trending a little harder this year. Each sale in this study has been scrutinized for validity using information derived from sales disclosures, MLS, and verification letters. Each sale meets the 5 criteria for a good sale. Sales that are marked valid but we did not use are listed on a tab marked Validity Changes at the end of the workbook. We have gone through the reconciliation worksheet and checked to make sure we are using all valid sales.

### **Improved Residential**

This year we delineated the smaller townships more than in the past. We separated out the rural residential and the neighborhoods. Neighborhoods were grouped using those with similar year built and price point. We combined many neighborhoods into market areas and compared others. There were a few areas that did not show an obvious pattern and were left out of the trending study but that had a factor applied for the workbook. Pine Township with the exception of Beverly Shores did not have enough sales and was not trended. We even looked at sales over a longer time frame but they didn't help. Pine has 4 different taxing districts in the small township and 2 different school districts affecting the selling prices which makes it hard to compare to other areas and Beverly Shores is a much higher price point. There were many neighborhoods that had more than 5 sales but the COD was too low to trend them separately.

### **Vacant Residential**

In 2017 we had a new Land order. We did not trend the vacant residential as we felt that the land rate changes should have accounted for most of the changes needed. Most vacant residential properties are being sold to builders at a reduced price or are traded between developers. We also are seeing a new trend of selling just the completed house and not selling the land separately. This seems to be happening increasingly more in Porter County. We also have some vacant land in the upscale neighborhoods that are selling at a major discount to get rid of the scattered inventory or remaining

lots. A majority of properties that are not sold to a builder/developer were previously agricultural and therefore cannot be used in the study.

## **Improved Commercial & Industrial**

There are 37 improved commercial and industrial sales included in our ratio study for 2016. We are seeing increased number of sales that include business value or franchise value in the sales price that is not broken out at the time of the sale. There are only 4 industrial sales so commercial and industrial have been grouped together.

## **Vacant Commercial and Industrial**

There are not enough commercial or industrial vacant sales to properly calculate a trending factor. We are of the opinion that the new land order made trending unnecessary. Vacant Commercial/Industrial land had only 1 valid sale that wasn't a multiparcel or land that was not previously commercial.

## **Conclusion**

We feel confident that there were enough sales to adequately calculate factors for most improved residential and improved commercial. Instead of trending the land we implemented the new land order. The new land order and the lowering of our LCM by 5% made it harder to trend this year. We also have decided to only trend our improvements and not trend land values. In the past we trended both land and improvements. This made for some higher factors on the improvements on some parcels.